

British Columbia Packers Limited

Present Company and Predecessors have Operated
Continuously since 1876

PACKERS OF



"CLOVER LEAF"

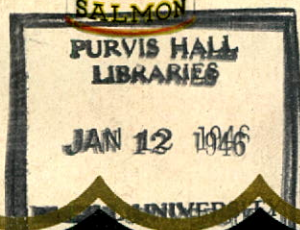
and other well known brands

CANNED SALMON, PILCHARDS, HERRING, OYSTERS AND CLAMS
FRESH, FROZEN, MILD CURED AND SMOKED FISH PRODUCTS
EDIBLE FISH MEALS AND OILS

Seventeenth Annual Report

FOR THE YEAR ENDED

APRIL 30, 1945



CLOVER LEAF SEA FOODS

British Columbia Packers Limited

VANCOUVER, CANADA

BOARD OF DIRECTORS

J. M. BUCHANAN,
Vancouver, Canada.

F. E. BURKE,
Vancouver, Canada.

STANLEY BURKE,
Vancouver, Canada.

J. H. COPEMAN,
Montreal, Canada.

GORDON FARRELL,
Vancouver, Canada.

J. H. GUNDY,
Toronto, Canada.

GEORGE KIDD,
Vancouver, Canada.

H. R. MACMILLAN, C.B.E.,
Vancouver, Canada.

J. S. McLEAN,
Toronto, Canada.

J. P. D. MALKIN, O.B.E.,
Vancouver, Canada.

A. HOWARD SPOHN,
Vancouver, Canada.

AUSTIN C. TAYLOR,
Vancouver, Canada.

W. J. VAN DUSEN,
Vancouver, Canada.

A. H. WILLIAMSON,
Vancouver, Canada.

OFFICERS

H. R. MACMILLAN, C.B.E., *President.*

STANLEY BURKE, *Vice-President.*

J. M. BUCHANAN, *Vice-President and General Manager.*

S. K. MURRAY, *Assistant General Manager.*

R. E. WALKER, *Production Manager.*

G. M. FERGUSON, *Comptroller.*

A. HAMILTON, *Secretary-Treasurer.*

STUART M. HENRY, *Sales Manager for Eastern Canada.*

REGISTRAR AND TRANSFER AGENT

The London & Western Trusts Company Limited,
Toronto and Vancouver, Canada

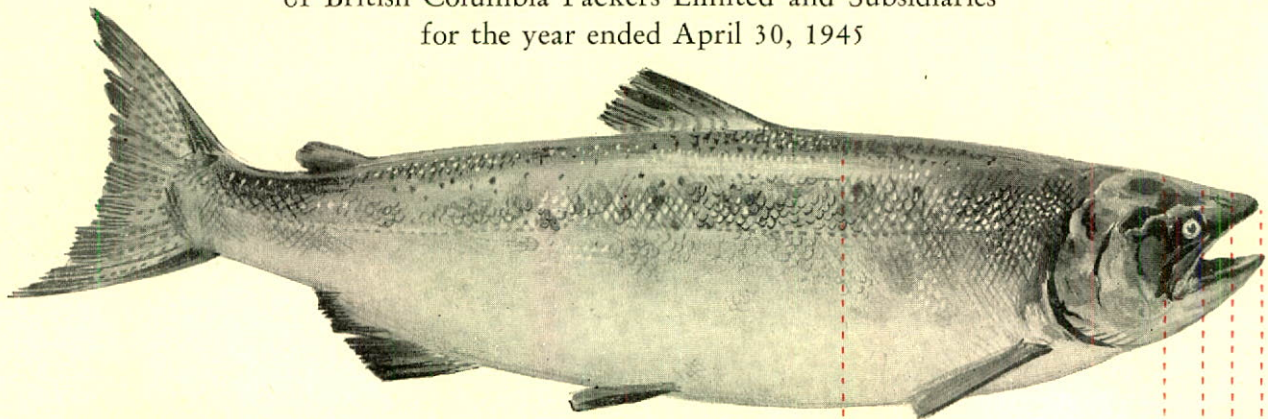
Co-Transfer Agent

Chartered Trust and Executor Company
Montreal, Canada

Auditors

Price, Waterhouse & Co.

Distribution of EACH DOLLAR received from Sale of Fish Products
of British Columbia Packers Limited and Subsidiaries
for the year ended April 30, 1945



62.8c

Paid to Fishermen and Employees

29.9c

Paid for Supplies
and Services

Depreciation 2.9c
Taxes 1.9c
Net Profit 2.5c

British Columbia Packers Limited

Report of Directors

To the Shareholders,

BRITISH COLUMBIA PACKERS LIMITED:

Your Directors submit the Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss and Earned Surplus Account of the Company for the year ended April 30th, 1945.

After providing for depreciation and Dominion and Provincial taxes the operations for the year resulted in a net profit of \$354,279.83, as shown in the Profit and Loss Account. This equals 2.5% of the value of the total net sales for the year. This profit is entirely inadequate for the capital employed and the risks encountered.

The following table shows the net sales and the distribution of net proceeds from the sale of products for the financial years ended April 30th, 1942, 1943, 1944 and 1945:

	1942		1943		1944		1945	
Net Sales	\$12,212,296	100%	\$11,936,481	100%	\$10,731,873	100%	\$13,910,667	100%
DISTRIBUTION OF SUCH PROCEEDS:								
Paid to Fishermen and Employees	6,565,395	53.8	7,276,921	60.9	6,779,797	63.2	8,738,681	62.8
Paid for supplies and miscellaneous services	4,334,683	35.4	3,353,834	28.1	3,101,369	28.9	4,142,846	29.9
Depreciation (a source of funds for maintenance and renewals of fleet and plants)	289,859	2.4	332,423	2.8	356,526	3.3	406,192	2.9
Provision for Dominion and Provincial Taxes before deducting refundable proportion	598,849	4.9	665,260	5.6	212,709	2.0	268,669	1.9
Remainder accumulated by the Company as earnings for the maintenance of the business and ultimate benefit of approximately 1400 Shareholders	423,510	3.5	308,043	2.6	281,472	2.6	354,279	2.5
	<u>\$12,212,296</u>	<u>100%</u>	<u>\$11,936,481</u>	<u>100%</u>	<u>\$10,731,873</u>	<u>100%</u>	<u>\$13,910,667</u>	<u>100%</u>

PRODUCTION:

The following tables give the production in British Columbia of salmon, herring and pilchards for the past four seasons:

		Calendar Years			
CANNED SALMON (shown in cases):		1941	1942	1943	1944
Sockeye		455,297	666,571	164,889	247,714
Cohoe, Springs, Bluebacks and Steelheads		445,337	240,533	199,795	204,835
Pinks		427,766	270,622	530,188	389,692
Chums		920,470	633,834	363,348	255,316
		<u>2,248,870</u>	<u>1,811,560</u>	<u>1,258,220</u>	<u>1,097,557</u>
		Overlapping Seasons			
HERRING:		1941-42	1942-43	1943-44	1944-45
Total Catch (tons)		111,329	79,035	97,805	113,200
Canned (cases)		1,563,628	1,237,161	1,195,909	1,220,145
Oil (imp. gals.)		638,722	454,614	824,166	967,956
Meal (tons)		9,790	5,970	9,634	11,090
PILCHARDS:		1941-42	1942-43	1943-44	1944-45
Total Catch (tons)		60,046	65,884	88,738	59,116
Canned (cases)		58,038	46,451	101,356	94,164
Oil (imp. gals.)		1,789,708	1,622,840	2,211,746	1,962,041
Meal (tons)		10,473	11,550	15,456	10,278

The British Columbia production of vitamin liver oils reached its highest figure in 1944, when the quantity obtained was 546,602 imperial gallons. The outstanding contribution to this total was from grayfish (dogfish) livers, the oil from which amounted to 514,349 imperial gallons. This result appears highly satisfactory, but reveals a danger signal in that the greatest part of the production came from one area, Hecate Strait, where the fishing was intensive. The Gulf of Georgia, once a profitable grayfish ground, has noticeably declined in yield; also the West Coast of Vancouver Island no longer produces so heavily as in the earlier years of this fishing.

The 1944 frozen fish operation for British Columbia reached a total of 33,559,190 pounds, an increase of 4,800,-087 pounds over the 1943 figures.

The British Columbia output of fresh fish overall increased despite the fact that Prince Rupert in 1944 did not receive as much halibut as ordinarily.

In all these varied operations your Company has maintained its proportion of production, and in acquiring, processing and marketing fresh and frozen fish has strengthened its position.

WORKING CAPITAL:

Current and Working Assets amounted to \$6,165,318.08.

Cash on hand, at banks and in transit at April 30th, 1945, totalled \$936,251.88. Bank loans and overdraft at the same date amounted to \$949,197.72.

Net Working Capital increased during the year by \$1,394,079.84 to \$2,903,264.55.

An issue of 3% First Mortgage Serial Bonds totalling \$1,500,000.00 was sold at par. These bonds are repayable in ten annual instalments of \$150,000.00 each to March 1st, 1955. The proceeds of this issue permitted the extension of the Company's operations, outlined under the heading of "Capital Assets", and contributed to the improvement in Working Capital.

Dividend payments amounted to \$204,418.50.

CAPITAL ASSETS:

Included in the Capital Assets are the normal increases in the books of the Parent Company, the amount capitalized from previous years as shown in the Surplus Account and also the book value of the capital assets acquired during the year in the purchase of operating and sales companies. The book value of the net capital assets of these companies is \$725,447.85. Three of these companies are United States corporations which constitute excellent distributing agencies, particularly in the densely populated eastern and mid-western fish-consuming districts of the United States. The annual sales of these three companies exceed \$3,000,000.00.

The total sales of the Parent Company and all presently owned subsidiaries for the past financial year exceeded \$19,000,000.00, which figure includes sales by certain subsidiaries during those portions of their respective financial years which were prior to the date of acquisition by your Company.

During the year your Company disposed of the Northern Fishermens Cold Storage Ltd., in Prince Rupert, as being unnecessary after acquiring the excellent cold storage facilities of the Canadian Fish and Cold Storage Company Limited, one of the companies referred to above.

Plants and equipment and the Company's fleet were all maintained to as high a state of efficiency as labour and material available permitted.

Because of the recent acquisitions of property through subsidiaries, the lack of uniformity in past methods of valuation, and the greatly increased building costs, your Directors intend to have all properties reappraised during the coming year.

DISPOSITION OF THE 1944 BRITISH COLUMBIA PRODUCTION:

Canned Salmon—

The Canadian Government, acting for the British Ministry of Food and other agencies, purchased approximately 797,000 cases; 50,000 cases were purchased by the Canadian Red Cross for Prisoners of War parcels. There remained only 250,000 cases for sale through usual trade channels for consumption in Canada. As the pre-war average annual sale of canned salmon in Canada was about 600,000 cases, the proportion the packers were able to offer for Canadian civilian use represented only about two-fifths of normal requirements.

The Department of Fisheries fixed the prices for the various species and grades of canned salmon on the same price levels as for the 1942 season, a year in which there was not only a larger pack than usual but a greater percentage of red fish. Such prices for all canned salmon to all markets was considerably below the cost of production for the year 1944. The contract carried the provision that should the cost of production for canned salmon over all the Industry, in the opinion of the Minister of Fisheries, not give the packers an equitable return, an increase in price by way of subsidy would be given. Due to an abnormally small pack and increased costs in every direction the subsidy becomes necessary. The amount has not yet been determined but a progress payment of \$1.25 per case has been authorized on all salmon, and our sales account has been increased by approximately this amount as of April 30th.

Canned Herring—

The entire British Columbia pack of canned herring was purchased by the Canadian Government and supplied to the British Ministry of Food.

Canned Pilchards—

All canned pilchards were distributed under Government control, partially to export markets under export permit and the remainder through usual trade channels for Canadian consumption.

Fish Oil—

Over 75% of the fish oil produced was sold in Canada. The remainder was exported, chiefly through U.N.R.R.A. channels.

Fish Meal—

Whereas in the previous year all production was sold in Canada, permission was granted during the past year to export to the United States 26% of the meal produced, the remainder being consumed in Canada.

Fresh, Frozen, Smoked and Mild Cured Fish—

The British Columbia production of these items was sold chiefly in Canada and the United States although the quantity sold to Great Britain was larger than in the previous year.

Frozen filleted fish increased greatly in popularity with consumers during the past year.

PRESENT RUN:

Pilchards have not yet appeared in volume along our coast although our fleet has been out on the grounds since July 10th. Last season the fish were first caught in quantity about August 17th, which was abnormally late; similar conditions may arise this year.

The canned salmon pack as at the weekend of August 4th was slightly better than any for the past nine years. The total pack as at August 4th was 507,266 cases.

On July 27th, at the height of the canning season, a strike of about 400 persons closed the only can making plant serving Western Canada. Since then no cans have been made or delivered from the Can Company's accumulated reserve stocks. Only your Company's forward policy of maintaining reasonable stocks of all necessities has enabled operations to continue to this date. At the day of writing this report your Company's stock of cans nears exhaustion, threatening the immediate loss of an immense crop of high quality fish and a loss of employment and earnings by over 10,000 fishermen and employees in your Company alone. A similar loss faces all Western producers of fish, fruit and vegetables at the only season in the year when their crops can be processed. Without attempting to place the responsibility for this situation, it must be realized that the strike is a national disaster, resulting in loss of food and sources of earning to thousands of fishermen, farmers and workers who have no other means of livelihood.

Your Directors give full credit to the British Columbia officers of the Department of Fisheries for such conservation programmes as have contributed to the present runs in certain areas, but such success as may have followed these and other remedial and conservation measures should spur them on in much-needed work. There is still abundant evidence of a serious decline, in some instances almost to the point of extinction, of some or all species of salmon in scores of streams which in past years have been important producers. If the Canadian Government can be moved to a relatively simple programme of remedial measures many streams can be built up to produce salmon crops that in the aggregate will, in a few years, return the total cost of the work done, and will in perpetuity produce wealth from and provide employment in areas that otherwise will yield nothing. The following are named as instances of important streams and areas which have not for years produced more than a very small percentage of previous crops: Nimpkish, Sarita, Quesnel, Nitinat, Clayoquot and the whole Johnstone Strait drainage area.

In order to be helpful to the local office of the Dominion Department of Fisheries, in our last Annual Report attention was drawn to a serious condition, namely, that in some areas of the Province the basic salmon supply had declined alarmingly during recent years, with the possibility of still further declines unless adequate remedial measures were undertaken without delay. We are again stressing in this Report, which receives wide distribution, the need of such measures.

SUBMISSION TO THE MINISTER OF FISHERIES FOR CANADA:

Your Directors throughout the year have availed themselves of every opportunity to press for the conservation, increase and stabilization of the annual salmon crop.

The right of, and entire responsibility for, fisheries regulation and conservation rests with the Dominion Government.

In January last, the Management included your Company in the joint submission made to the Minister of Fisheries for Canada by the Salmon Industry of British Columbia, comprising the companies, the fishermen and others interested in the catching and processing of this valuable food resource.

The brief then submitted, as well as showing that depletion had taken place during the past several years, in the coastal streams particularly, set forth the Industry's views on the method by which it is hoped the various races of each species inhabiting each stream can be re-established to the maximum annual crop. Quoting here all the

recommendations would overtax our space, but one recommendation that seems to your Company to be of the utmost importance follows:

"THAT the salmon fisheries of British Columbia be included in the Dominion Government's returned soldier rehabilitation plans as being singularly suitable for that purpose in that the entire range of such field work will offer scope for the energies of vigorous men suddenly released from the tension of war. Initiative and endurance—two qualities in which the Canadian soldier excels—will be required in men filling the positions made available if the Government establishes the conservation of the salmon fisheries of this Province on the basis outlined in this brief. Such a programme would call for the following field staff:

"(a) Trained men to inspect the spawning grounds regularly; not only during the spawning season, but throughout the entire period of incubation and development, to ensure that at all times (so far as is humanly possible) the hatchlings are surrounded by the proper conditions for their growth to fingerlings. Such men to be directly responsible to the Chief Supervisor.

"(b) A sufficient number of guardians to permit each stream or small group of streams to be constantly patrolled, observed and reported on by a resident guardian. One of the important duties of these men would be to see that the migrants reach the main river safely. The guardians to be directly responsible to the local inspectors.

"(c) Patrolmen whose chief function would be to see that the salmon fisheries are vigilantly safeguarded from poachers. The patrolmen to be directly responsible to the local inspectors.

"Therefore, it is urged that young and physically fit returned soldiers, capable of coping with the arduous task of patrolling salmon streams in a wild country, be given special short courses in the elements of biology, zoology, physics, forestry, stream control, statistics, etc., to fit them to become an integral part of a complete scientific fisheries conservation service, in which the higher positions should be filled by promotion of the best men from the lower ranks. This policy should be adopted immediately."

It is a pleasure to record that this submission was received by the Minister in the spirit in which it was offered: that is, as an earnest and factual approach to the solution of a problem that, in the long range view, affects not only our Industry but also the welfare of all Canada.

The Deputy Minister of Fisheries answered for the Department on April 13th, advising that many of the recommendations contained in the brief would be adopted "subject to current wartime limitations". The Deputy Minister also stated that arrangements were being made for a comprehensive scientific investigation of British Columbia's salmon resources, and intimated that consideration would be given to the plea that the use of salmon hatcheries be resumed in an effort to restock barren streams and to supplement natural spawning in some areas.

Your Directors hope that the work contemplated by the Department will begin speedily because a season lost can never be regained.

DEPARTMENTAL STUDY OF SKEENA RIVER SALMON:

The Shareholders, because of their great investment in plant and boats on the Skeena River, their long association with that fishery where the Company and its predecessors have operated canneries every season for over sixty years, will be grateful to know that, in response to a recommendation by the Industry, the Dominion Department of Fisheries has begun an important field study to learn how the Skeena River sockeye run can be restored and built up to greater production than ever before.

FISHERIES RESEARCH BOARD:

This investigating section of the Dominion Department of Fisheries has great possibilities. Not enough importance has been assigned to greater biological knowledge of commercial fish in general and of important species on certain large spawning grounds in particular. A full crop cannot be achieved without such knowledge. The knowledge cannot be acquired until the best possible research men are selected, trained and retained. Additionally they must be given facilities and credit for their accomplishments, together with inspiring support from the Dominion Fisheries Department, the fishing companies and the public.

IMPORTANCE OF CANADA'S PACIFIC OCEAN FISHERIES:

The Shareholders of this Company may not fully appreciate its value to Canada. Your Company maintains permanent communities at 23 points on the coast of British Columbia; centres which give employment, create wealth and provide many services for the coastwise population. Your Company owns over 100 power boats, including deep-sea seiners, fish packers and deep-sea halibut boats, of which 70 are over 50 feet in length. The building, maintenance and operation of such boats is one of British Columbia's important sources of employment. Such boats provide a constant transportation service where none other exists.

You have read elsewhere in this Report that your Company now produces and prepares sea food which sells for over \$19,000,000.00 yearly, of which over 80% is consumed outside Canada.

In addition to taxes paid by the Company during the last financial year, the Company, prior to the acquisition of new companies referred to in this Report, deducted at the source from 11,496 employees and fishermen, taxes amounting to \$727,391.44, which were remitted to the Minister of Finance.

The foregoing contributions to Canadian strength by your Company, which is only one of several in British Columbia, indicate the importance of Pacific Ocean fisheries to the Canadian economy.

GRANT TO THE UNIVERSITY OF BRITISH COLUMBIA:

Your Directors, realizing the imperative need of trained personnel in the studies relating to the fisheries of British Columbia, especially research of the type necessary to ensure a continuous supply of fish for commercial purposes, have authorized a grant of \$22,500.00, payable \$7,500.00 yearly, to inaugurate a Department of Fisheries at the University of British Columbia.

OBSTRUCTION AND POLLUTION OF SALMON STREAMS:

We appear to be entering an era of expanding industry which may result in damming and polluting streams which are now important wealth producers. Science has learned how to erect dams and to build mills on salmon streams without obstructing or destroying fish. It is, therefore, not necessary that we should repeat such disastrous experiences as the dams on Quesnel and Adams Rivers which, built without forethought or consideration for the public interest, destroyed for all time immensely valuable salmon crops; or the dumps from the Bullion Mine which have been stated to be injurious to salmon on the Quesnel River. Such destruction is in a class with forest fires. Public opinion must be aroused to the point where all Government Departments will work together to protect the salmon, a valuable portion of the public domain.

FRASER RIVER SALMON SURVEY:

The Fraser River System, the greatest salmon producing area in Canada, has been for the past seven years under survey by the International Pacific Salmon Fisheries Commission. To inform our Shareholders of the work being done by the Commission the last three pages of this Report are given to a description of the problem with which the Commission was faced at Hell's Gate and the means taken to overcome it, as well as a map showing the field of the Commission's survey.

FIRE PROTECTION SURVEY:

Mr. J. H. De Graves, formerly Fire Chief for the City of Vancouver, has been engaged to survey all the Company's plants in order to bring our fire preventive precautions and fire-fighting facilities to the highest possible standard of efficiency.

PERSONNEL:

During the past six months the Company has welcomed the return of employees who have been on leave of absence to the Armed Services, many of whom have achieved distinction on active service. Also many who completed their service in the Fishermen's Naval Reserve and other branches of the Navy have found employment on fishing vessels and packers operated by this Company. There are many indications that discharged veterans will be looking to this Industry for post-war employment and opportunity. Some of these men have had previous service in one or more of the various fields of activity in the Industry, while others are inexperienced. Those in this latter group are given the best possible advice and guidance so that their investment of time and money shall be productive to themselves and to the Industry and will enable such men to become important producing factors in British Columbia's fisheries.

Your Company is aware of its responsibility for improving the living conditions at its various processing plants and fishing stations as rapidly as material and labour become available. Several new dwellings were built this year for White and Native employees and fishermen, also existing dwellings were renovated.

The Management continues to work toward giving more consideration to the many complex problems which arise from the Company's relationship with more than 10,000 fishermen and plant employees serving the Company at various seasons of the year, at scores of points along 11,000 miles of our coast, upon whose expert and loyal service depends the harvesting of the deep sea crop.

Respectfully submitted,

Vancouver, Canada,
August 8th, 1945.

H. B. MacMillan
President.

British Columbia and Subsidiaries

Consolidated Balance Sheet

ASSETS

CURRENT AND WORKING ASSETS:

INVENTORIES—

Canned salmon, herring, clams, pilchards, meal and oil, fresh and frozen fish, etc., on hand and on consignment of which \$708,014.83 are valued at the lower of cost or market prices, and of which \$400,379.79 are valued on the basis of (a) amount sold under sales contracts at net selling value (b) remainder at cost (excluding depreciation) or market prices whichever are lower \$ 1,108,394.62

Store merchandise, cans and boxes, new nets, packing materials, etc.—at cost or market prices whichever are lower 1,812,448.92

Used nets, gillnet boats, fishing and operating supplies—as valued by the management 231,736.01

\$ 3,152,579.55

Unexpired insurance and prepaid items 32,422.28

Sundry debtors—

Due from the Governments of Canada and the United Kingdom \$ 455,313.07

Bills and accounts receivable, advances to fishermen and others secured and unsecured, less reserve 1,588,751.30 2,044,064.37

Cash at banks, on hand and in transit 936,251.88 \$ 6,165,318.08

SUNDRY INVESTMENTS 2,415.14

ESTIMATED RECOVERABLE PORTION OF EXCESS PROFITS TAX—per contra 253,761.12

CAPITAL ASSETS:

Freehold land at 1938 assessed value \$ 144,165.63

Leasehold lands at nominal value 1.00

Buildings, plant, machinery, etc., at replacement values of assets appraised in 1929 by the Canadian General Appraisal Co. Ltd., less retirements and abandonments thereof at such values plus the cost of subsequent additions and floating equipment—at cost or less \$ 8,709,155.99

Less—

Reserve for depreciation 5,737,915.32 2,971,240.67 3,115,407.30

LICENSES, trade marks, goodwill, etc.—at book values 1,196,681.46

\$10,733,583.10

AUDITORS' REPORT TO THE SHAREHOLDERS:

We have made an examination of the consolidated balance sheet of British Columbia and Subsidiaries for the year ended on that date. In connection therewith we have examined the accounting records and other supporting evidence and made a general review of the accounts. We do not make a detailed audit of the transactions.

In connection with the six subsidiary companies whose accounts we did not examine, we have examined the accounts of the six subsidiary companies for the month of that date, together with related statements of profit and loss and surplus, and the companies. These accounts are included in the attached consolidated statements and are subject to the same audit as the consolidated statements.

We report that we have obtained all the information and explanations which we consider necessary for the purpose of our audit and that the consolidated balance sheet is properly drawn up so as to exhibit a true and correct view of the financial position of the companies as at the date referred to above.

Vancouver, B.C.,
July 30, 1945.

Packers Limited

Companies

as at April 30th, 1945

LIABILITIES

CURRENT LIABILITIES:

Bank loans and overdrafts	\$ 949,197.72	
Sundry creditors, including accrued interest, etc.	1,573,197.61	
Reserve for taxes on income and other taxes after payments of \$156,349.23 on 1944-5 taxes on income	739,658.20	\$ 3,262,053.53

MINORITY INTEREST IN CAPITAL AND SURPLUS OF A SUBSIDIARY HOLDING COMPANY

79,168.28

3% FIRST MORTGAGE SERIAL BONDS:

Redeemable at par at company's option in amounts of not less than \$25,000.00 or a multiple thereof—		
Aggregate principle amount which may be outstanding	\$ 1,500,000.00	
Repayable in equal annual instalments of \$150,000.00 each to March 1, 1955		1,500,000.00

CAPITAL AND SURPLUS:

CAPITAL—

Authorized:

390,994 common shares—no par value.

Issued:

136,279 common shares—no par value

\$ 3,600,000.00

CAPITAL SURPLUS—

Arising from profits (net) on disposals of capital assets, etc.

231,809.93

DEFERRED SURPLUS—

Estimated recoverable portion of excess profits tax—per contra

253,761.12

EARNED SURPLUS—

Per statement attached

1,806,790.24

5,892,361.29

CONTINGENT LIABILITIES:

Bills under discount, endorsements, etc.

\$ 68,255.84

NOTE:

Net assets of American subsidiary companies amounting to U.S. \$465,670.16 (exclusive of property, plant and equipment included at par of exchange) have been incorporated in the consolidated accounts at the official rate of exchange of the Foreign Exchange Control Board.

Approved on behalf of the Board:

H. R. MacMILLAN, *Director*.

J. M. BUCHANAN, *Director*.

\$10,733,583.10

Packers Limited and subsidiary companies as at April 30, 1945, and of the statement with the exception of six companies referred to below, we examined or tested accounting methods and of the operating and income accounts for the year, but we did

not, we inspected balance sheets thereof prepared as of April 30, 1945, or within one month of the reports thereon of the respective chartered accountants, the appointed auditors of the companies, who represent approximately 28% of the consolidated net assets.

We have required and that, in our opinion, based on the examination indicated in this report, we are of the view of the state of affairs of the combined companies as at April 30, 1945, according to the accounts of the companies which we examined and by the audited accounts of the companies

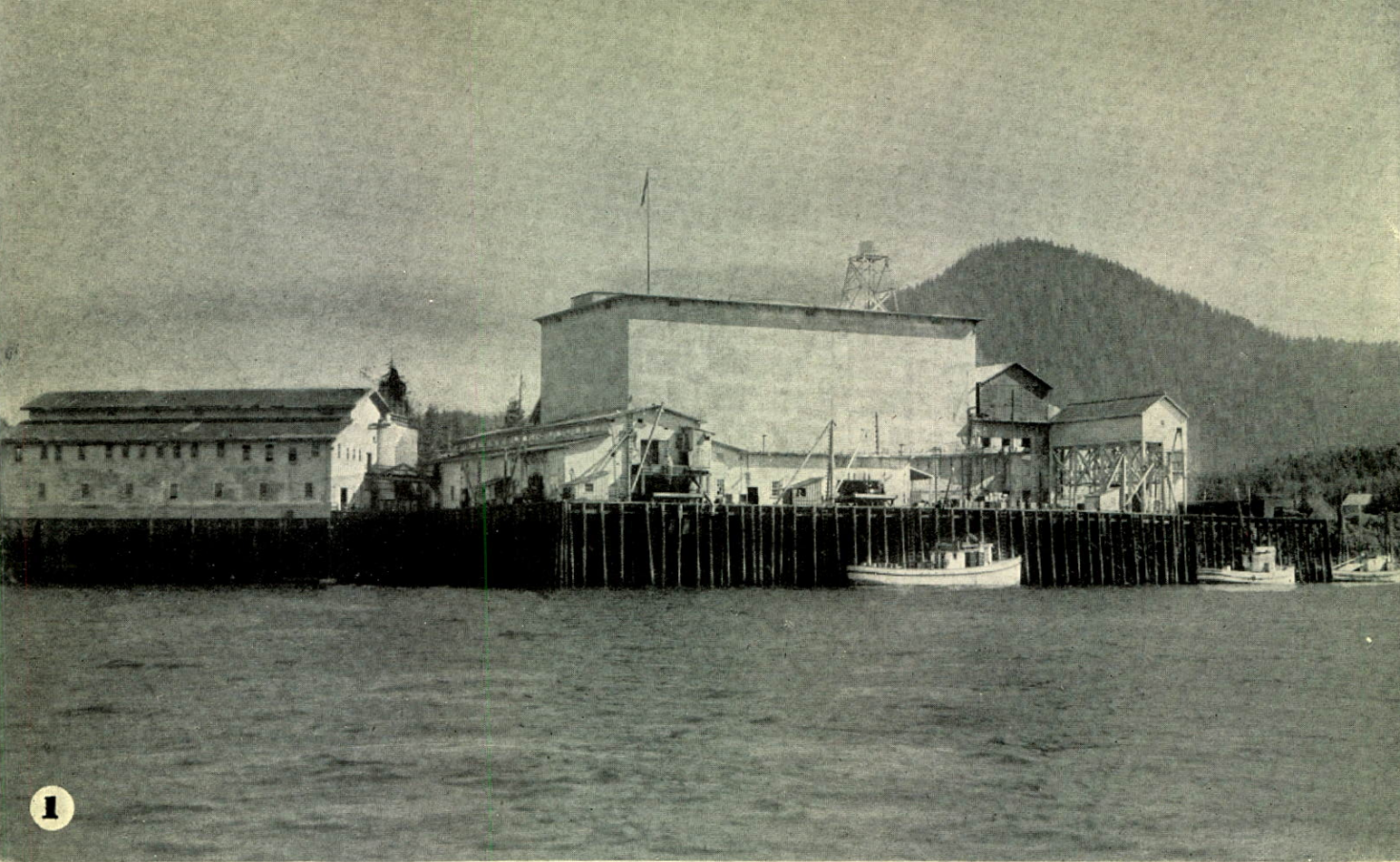
PRICE, WATERHOUSE & CO.,
Chartered Accountants.

British Columbia Packers Limited

and Subsidiary Companies

Consolidated Statement of Profit and Loss and Earned Surplus as at April 30, 1945

Sales (net)				\$ 13,910,667.64
<i>Deduct—</i>				
Cost of sales			12,210,537.54	
				<u>\$ 1,700,130.10</u>
<i>Deduct—</i>				
Selling, administrative and general expenses including interest on bank loans and bills payable, etc.			602,380.20	
				<u>\$ 1,097,749.90</u>
<i>Deduct—</i>				
Depreciation	\$	406,192.03		
Directors' fees		1,400.00		
Management and executive salaries		47,900.00		
Legal fees and expenses		11,808.36		
Provision for taxes on income		268,669.68		
Interest on bonds		7,500.00	743,470.07	
				<u>\$ 354,279.83</u>
Profit for the year ended April 30, 1945				\$ 354,279.83
<i>Add—</i>				
Surplus as at April 30, 1944	\$	1,362,633.28		
<i>Add—</i>				
Adjustments relating to prior years:				
Proportion of earnings of a subsidiary company applicable to shares therein held by British Columbia Packers Limited prior to acquisition of the controlling interest			173,295.30	
Sundry adjustments including expenditures of \$161,415.92 in the accounts of the parent company during the five years ended April 30, 1944, previously charged to operations now capitalized. (Deprecia- tion on these expenditures is an allowable expense against future taxable income)			190,994.48	
				<u>\$ 1,726,923.06</u>
<i>Less—</i>				
Dividends paid	\$	204,418.50		
Additional provision for taxes on income		69,994.15	274,412.65	1,452,510.41
				<u>\$ 1,806,790.24</u>
Earned surplus as at April 30, 1945				\$ 1,806,790.24



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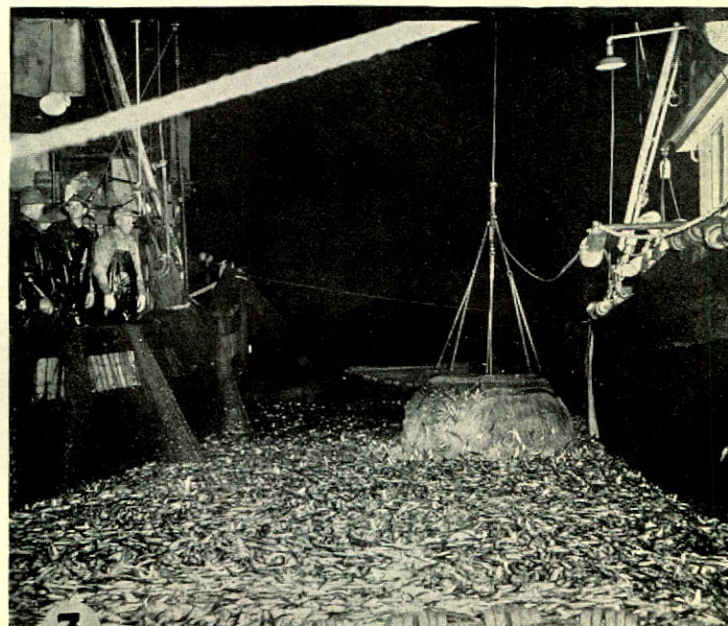
1 Prince Rupert Plant of the Canadian Fish and Cold Storage Company Limited acquired during the year.



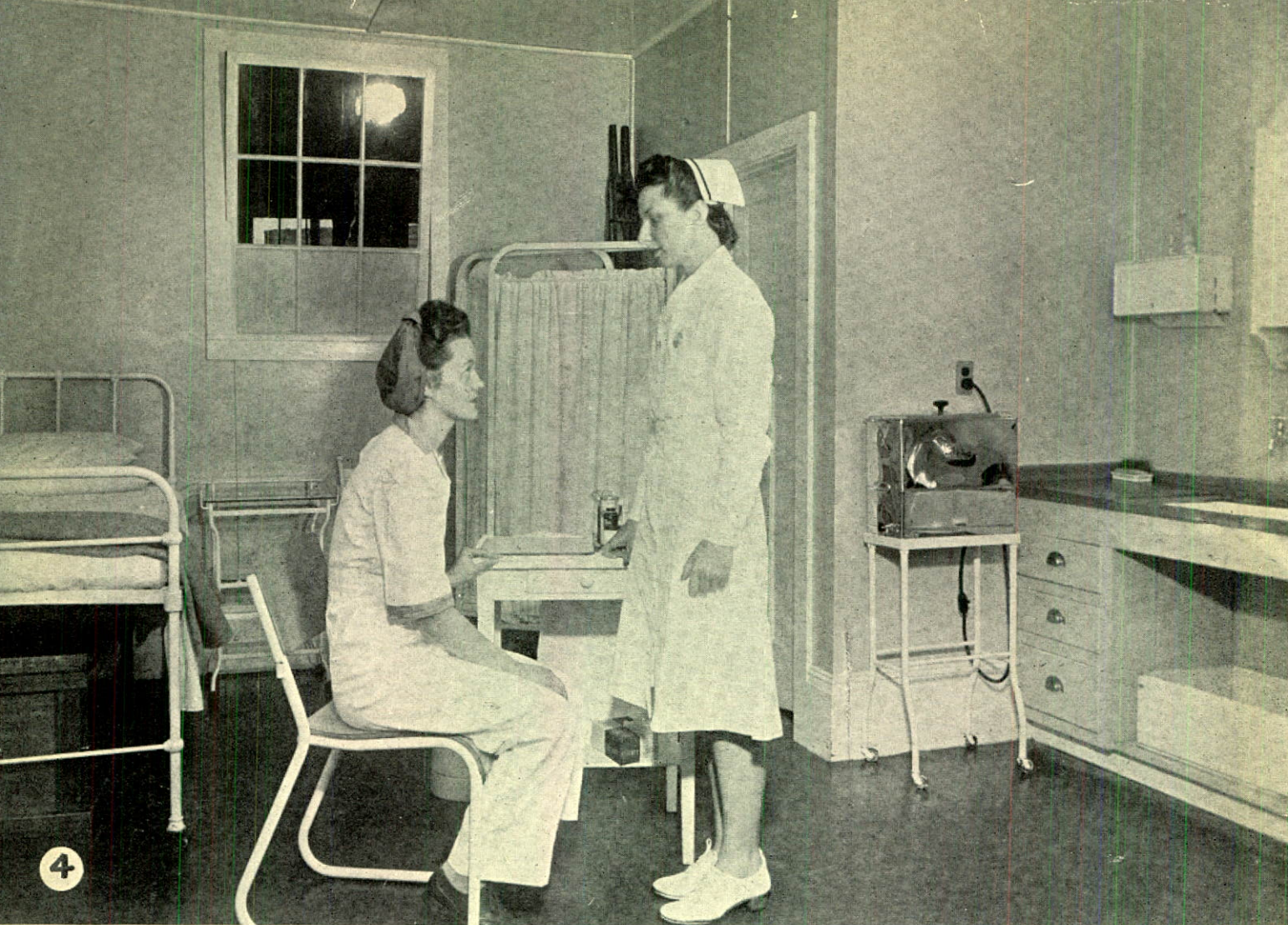
2

2 A 300-pound Halibut.

3 Brailing from a seine net part of a 500-ton catch of Herring.



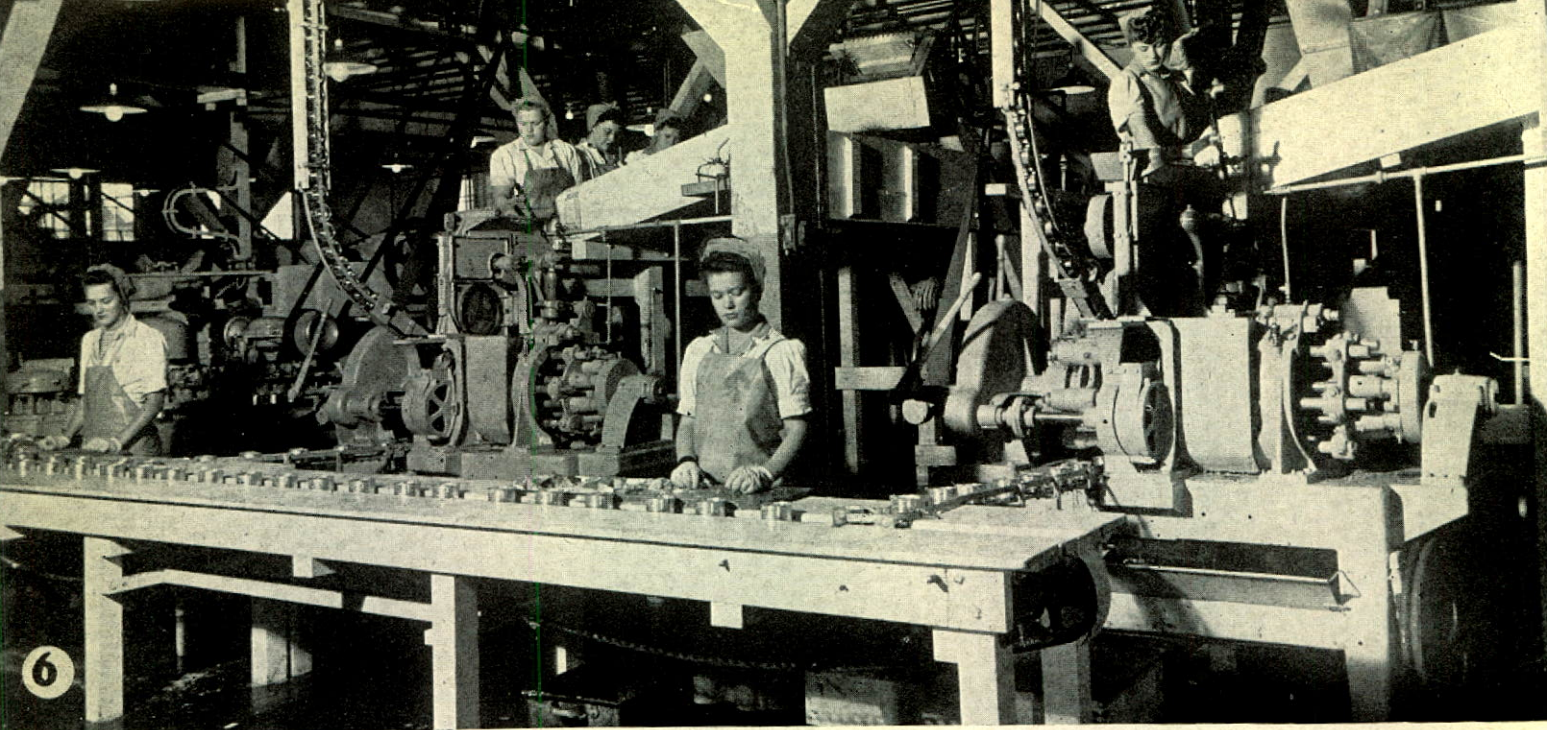
3



4 Patient and Nurse in the First Aid room at Imperial Plant.

5 New Refrigerator Barge used for transportation of frozen fish, with one of the Company's towboats alongside.



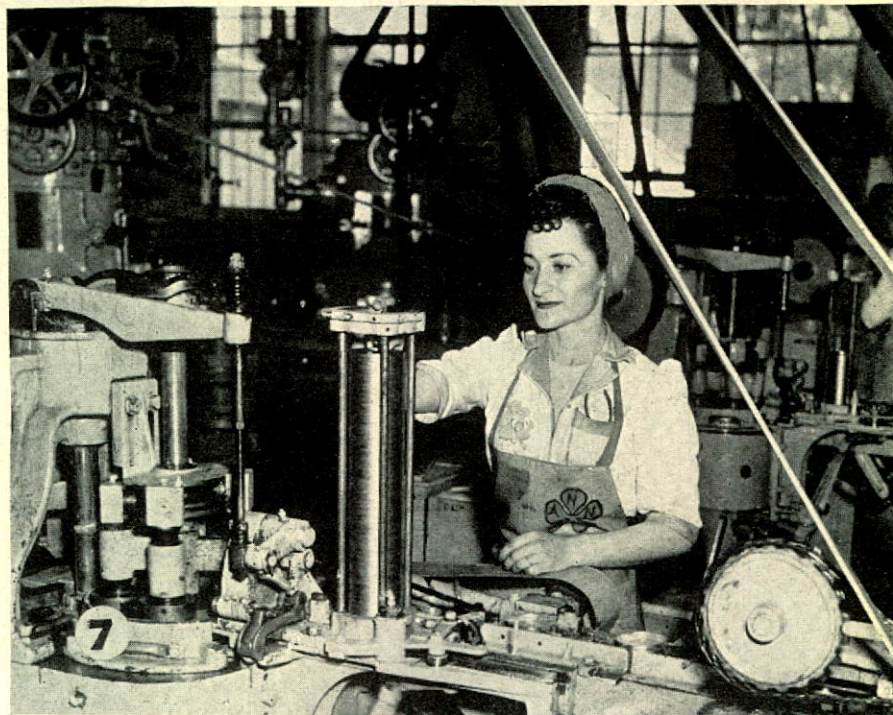


6

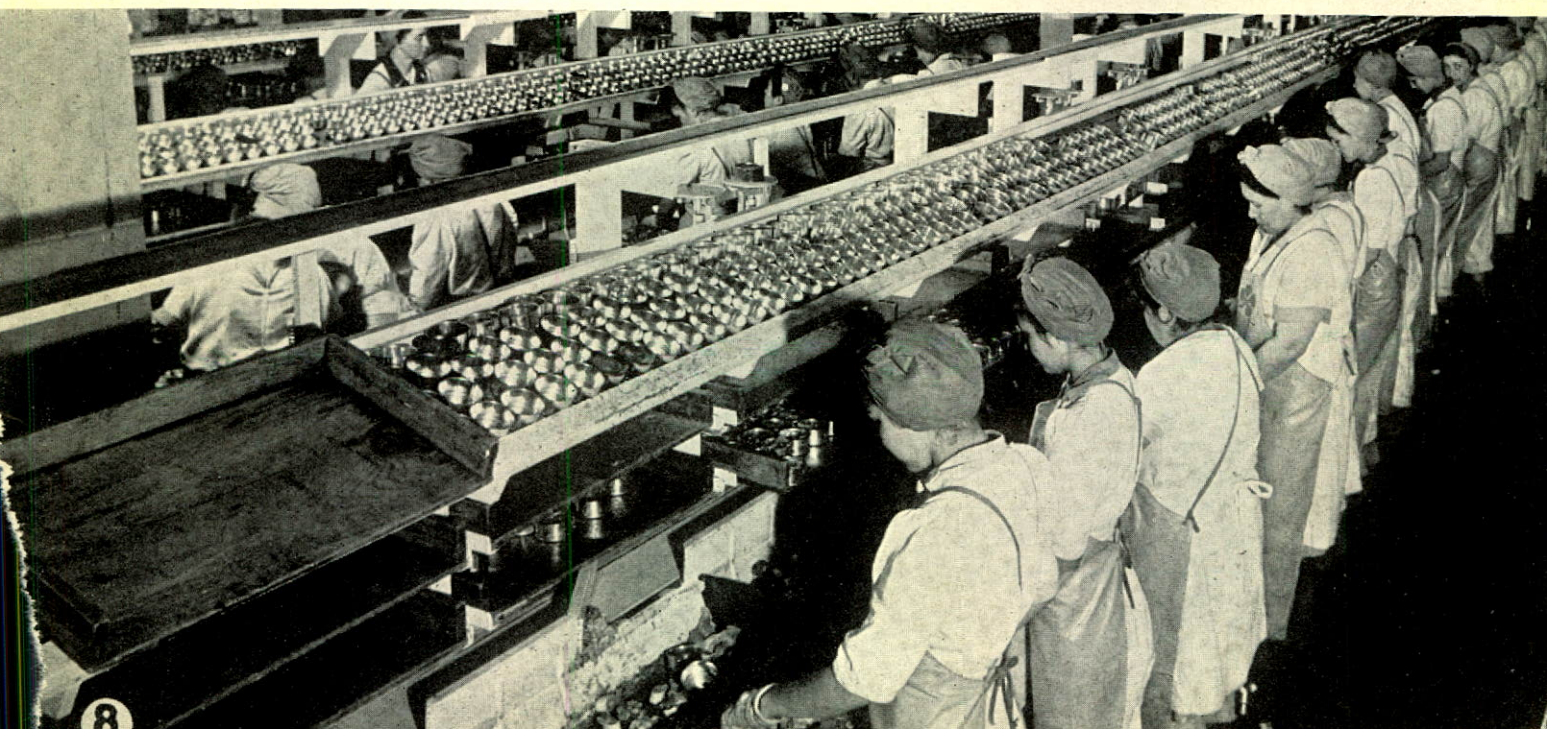
6 Operators inspecting performance of automatic can-filling machines.

7 Operator supervising can-lidding machine.

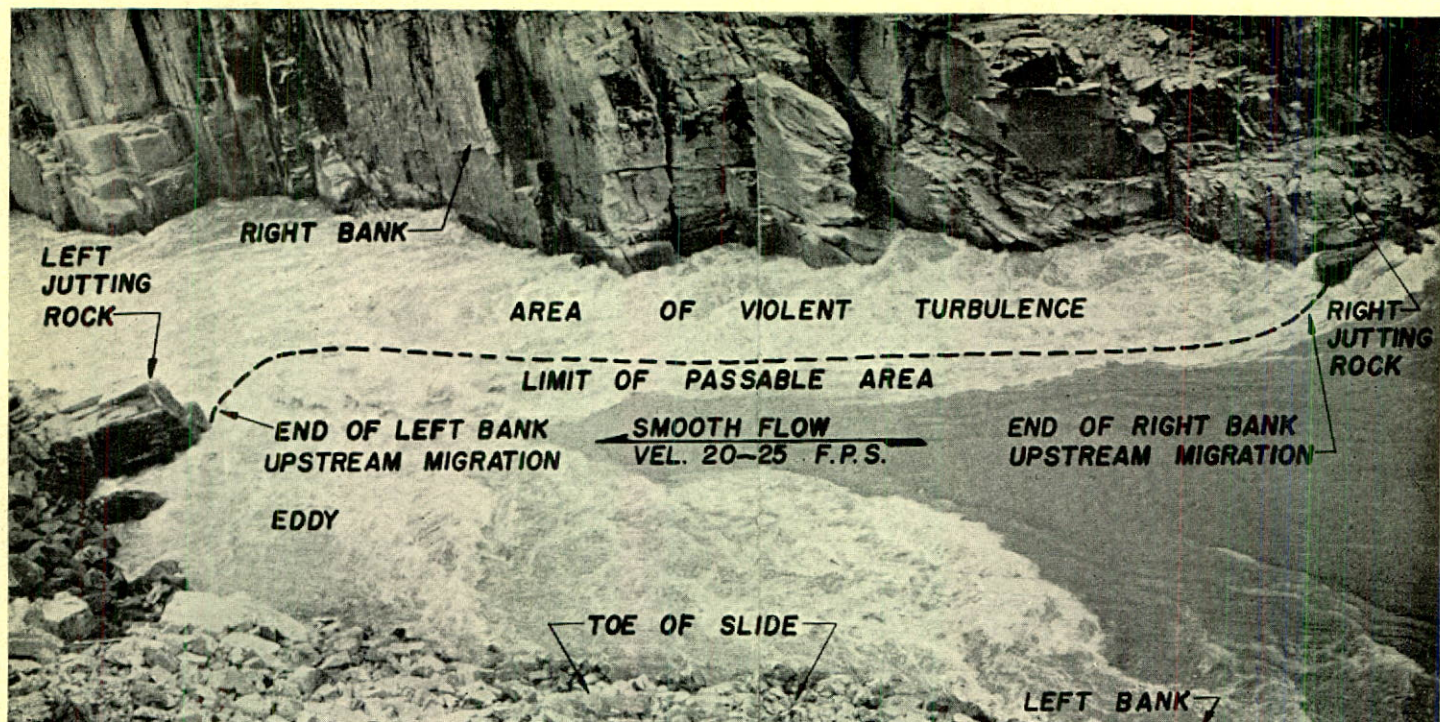
8 Salmon cans being filled by hand.



7



8



Courtesy of International Pacific Salmon Fisheries Commission.

Hell's Gate (before installation of Fishways).

HELL'S GATE

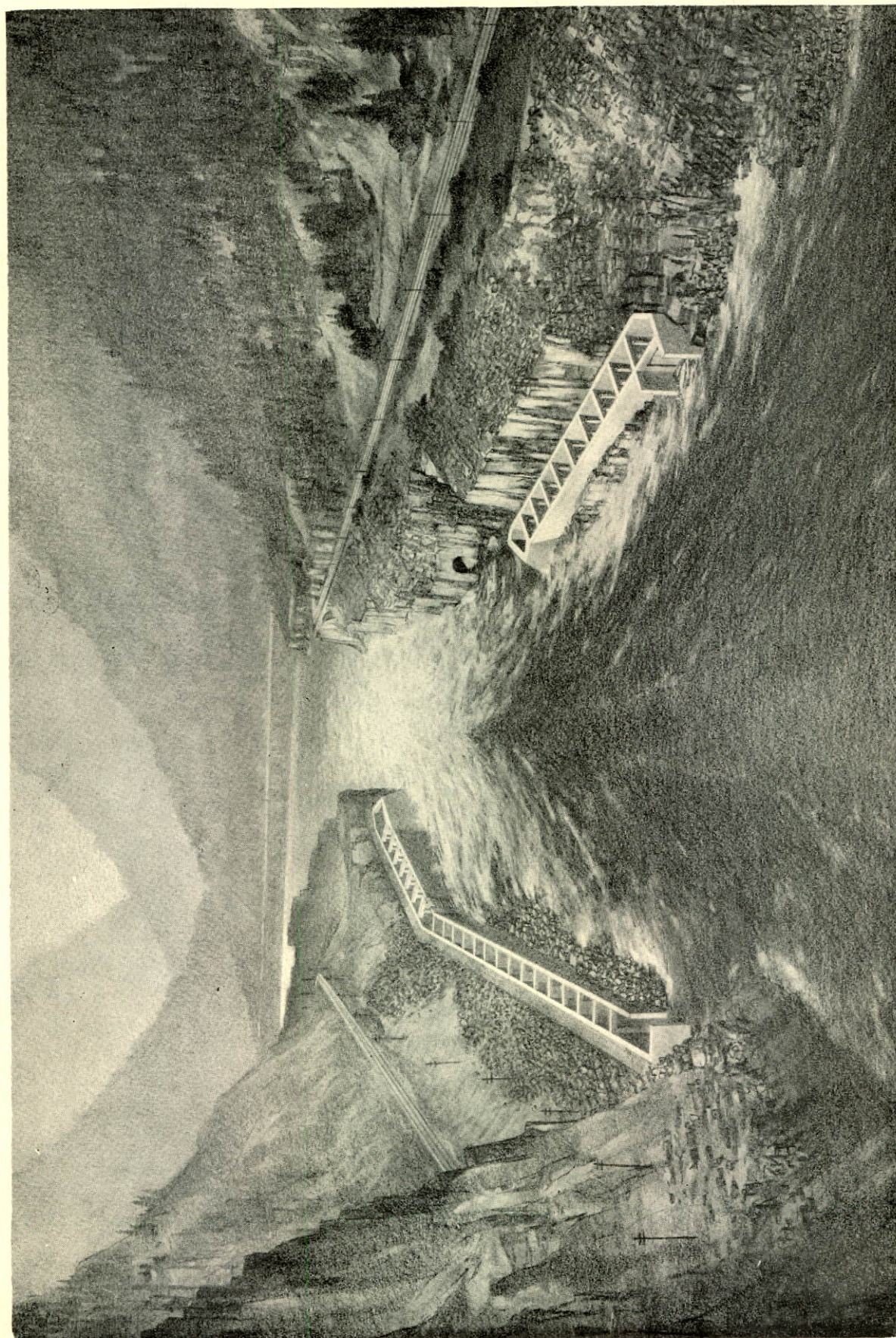
The principal Canyon of the Fraser River is considered to extend from just north of Yale to Cisco (6 miles southwest of Lytton) a distance of 47 miles. The narrowest portion of this stretch is situated between 18 and 19 miles above Yale, or some 130 miles upstream from the Fraser's mouth, and is called Hell's Gate. Here the river runs almost north and south, and is constricted between two parallel lines of the Cascade Range. Promontories project from both banks at this point—one, known as the Right Jutting Rock, is on the right side of the river, 240 feet upstream from the Gate; the other, the Left Jutting Rock, is the cliff whose western face forms the left side of the Gate—causing cross-currents and eddies that have the effect of precipitating the volume of accumulated waters from a drainage area of approximately 80,000 square miles into a swirling cataract that rushes violently through a rock-walled strait which at the low water level of about 100 feet depth is only 120 feet wide. Above this race the canyon sides ascend almost vertically for some 90 feet and then continue on a steep slope to the mountain crests.

While the average annual difference between the low and high water stages at Hell's Gate is 60 feet, since the year 1912 (from which time the Dominion Water and Power Bureau has recorded the flow) the rise and fall of the Fraser in this narrow passage has three times shown a variation of 90 feet between these two water levels. Within the past 60 years the river at Hell's Gate reached its greatest height in the flood year of 1894, when it is estimated to have risen 126 feet above the low water level.

To overcome the difficulty experienced by salmon in negotiating the passage at this stage of their upstream migration, fishways (almost completed) are being installed as shown in the sketch on the opposite page. This work is being carried out to the plans of, and under the supervision of the International Pacific Salmon Fisheries Commission, established and financed jointly by the Governments of Canada and the United States, which met for the first session in October 1937. The powers of the Commission include investigations into the life history of the Fraser River sockeye salmon, the propagation of the various races, the condition of the spawning grounds and the remedial measures necessary. While up to the present time the work of this body has been principally along the lines of research, after its scientific studies have covered two sockeye salmon cycles, or a period of eight years, the Commission is also empowered to promulgate regulations for the Fraser River sockeye salmon fishery with the object of perpetuating and increasing the runs.

For many years before the study of the Fraser River Watershed was commenced by the International Pacific Salmon Fisheries Commission this river system was looked after by the local office of the Dominion Fisheries Department, under the Chief Supervisor, Major J. A. Motherwell. It is largely owing to the exertions of the local Department that the races of the upper reaches of the Fraser were not completely extinguished after the debris blockage of the river at Hell's Gate in 1913 and the rock slide which occurred in the following year. Had the local office of the Department of Fisheries on those occasions not made the efforts it did to keep a channel open for the passage of the fish, the story of what has been termed "the greatest natural salmon spawning area in the world" might have come to an abrupt conclusion. The great Adams River run of 1942 must be looked upon as attributable to a large extent to the local Department's work.

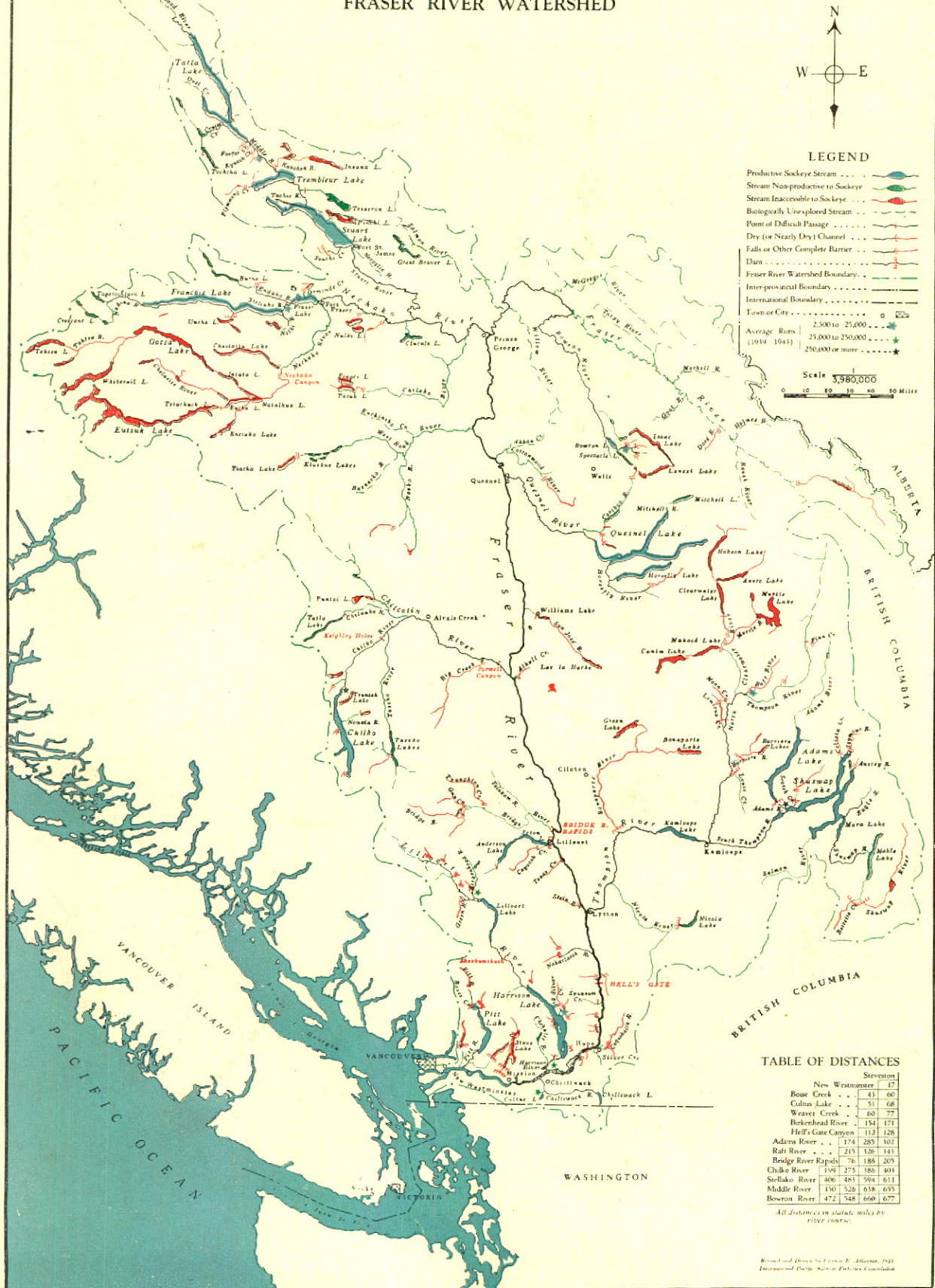
Unfortunately the local office of the Dominion Department of Fisheries has not been provided with either sufficient funds or staff to give the same attention to the numerous other salmon spawning areas of the Province's northern interior and its long coastline.



Courtesy of International Pacific Salmon Fisheries Commission.

Hell's Gate, showing Fishways as they will appear when completed (looking downstream).

DISTRIBUTION OF SCKEYE SALMON SPAWNING GROUNDS IN THE FRASER RIVER WATERSHED



The Fraser River—the greatest river of British Columbia—with a length of 785 miles and a drainage area of 88,698 square miles, is fed by many tributaries. An idea of the magnitude of the task confronting the International Pacific Salmon Fisheries Commission may be gained from a glance at the number of streams shown here, while from the notations on the map of this watershed the present state of these tributaries will be easily discernible.

CLOVER LEAF SEA FOODS